

FLORIDA CONSUMER CONFIDENCE INDEX
October 25, 2005
FOR IMMEDIATE RELEASE



**UNIVERSITY OF
FLORIDA**

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Consumer Confidence

Consumer confidence among Floridians remained unchanged in October at 78, although there was significant movement in the five components that make up the index. As expected, perceptions of US business conditions over the next year rose to 63 after its steep decline in September to 56. Perceptions of US business conditions over the next five years also rose by three points to 73. Perceptions of personal finances now compared to a year ago fell by five points to 75. Perceptions of person finances a year from now remain unchanged at 90. Perceptions of whether it is a good time to buy fell five points to 86.

“We expected the index to remain unchanged or to rise slightly in October given the sharp decline in perceptions of short term US business conditions as a consequence of hurricane Katrina,” said Chris McCarty, the Survey Director. “Typically that component falls dramatically following disasters such as Katrina. It is not unusual for the effects of such disasters to be short-lived in terms of consumer confidence,” said McCarty. “Perhaps more troubling for retailers is the decline in perceptions of current personal finances and perceptions of whether it’s a good time to buy big ticket items going into the holiday shopping season. Declines in these indexes are more likely to affect the buying plans of consumers.”

Sales have already declined recently as energy prices have spiked in recent months. The impact of high energy prices, particularly natural gas, will be even more of a burden during the winter months, although this will be less of a burden in Florida where winters are not so severe. Floridians will still see large increases in their utility bills as a consequence of high energy costs that pre-date Katrina.

An analysis of the index and its components by characteristics of the respondent reveals some differences. Confidence fell by two points among people over age 60 while it rose one point to 80 for those under age 60. Older respondents were particularly less optimistic about buying conditions, that component falling eight points to 87.

“Moving forward, we expect the index to remain around 78 in the near term,” said McCarty. “As the Federal Reserve continues to tighten interest rates, and the price of gasoline and natural gas continues to rise, consumers will likely respond pessimistically. By December we expect to see at least a slight decline in confidence. Retailers this shopping season are likely to see a pullback in spending compared to last year.”

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Oct-04 Nov-04 Dec-04 Jan-05 Feb-05 Mar-05 Apr-05 May-05 Jun-05 July-05 Aug-05 Sep-05* Oct-05†

Consumer Confidence Index													
FLORIDA	93	93	91	93	97	92	91	91	96	95	89	78	78
Men	100	103	97	99	102	96	94	96	99	99	94	85	85
Women	88	87	86	89	92	89	88	87	93	91	86	71	72
Under age 60	96	96	96	96	99	95	96	97	98	97	93	79	80
Aged 60 and over	85	90	82	90	93	88	83	81	91	89	82	74	72
Income under \$30,000	83	78	75	82	82	81	81	77	79	82	75	57	65
Income \$30,000 and over	100	102	99	101	102	98	96	99	101	103	96	86	84

Personal financial situation now compared to a year ago													
FLORIDA	81	85	87	85	91	88	90	87	90	87	86	80	75
Men	83	97	90	90	98	94	94	95	92	91	88	90	82
Women	78	76	84	80	85	82	87	81	88	85	85	71	70
Under age 60	87	94	93	90	98	96	99	96	95	93	96	86	82
Aged 60 and over	67	69	75	75	77	71	76	72	80	73	65	66	58
Income under \$30,000	62	52	64	65	68	67	73	61	64	66	61	48	46
Income \$30,000 and over	91	103	98	97	100	101	100	102	100	99	99	94	87

Personal financial situation expected one year from now													
FLORIDA	101	100	94	98	99	93	96	96	98	100	97	90	90
Men	109	108	99	102	102	95	99	99	98	102	94	95	92
Women	95	94	91	94	96	92	93	94	98	98	99	86	89
Under age 60	111	107	107	104	106	103	107	107	104	107	104	98	97
Aged 60 and over	79	86	69	86	83	76	76	76	80	83	81	72	71
Income under \$30,000	95	92	84	91	87	83	86	84	88	95	90	74	83
Income \$30,000 and over	107	106	101	104	105	102	100	104	102	106	103	98	95

Expected national economic conditions over the next year													
FLORIDA	87	88	82	87	93	83	77	79	84	84	75	56	63
Men	95	97	90	95	100	85	81	86	93	90	83	67	76
Women	80	82	76	81	86	81	74	74	84	79	70	47	54
Under age 60	86	86	86	87	93	82	78	83	90	85	75	53	64
Aged 60 and over	87	92	76	88	96	84	74	69	82	83	76	64	64
Income under \$30,000	79	74	67	77	75	73	69	69	74	71	59	37	59
Income \$30,000 and over	91	96	89	95	100	87	81	83	90	93	80	61	66

Expected national economic conditions over the next 5 years													
FLORIDA	92	85	87	88	88	84	80	82	88	88	80	70	73
Men	104	99	95	93	93	89	83	90	95	96	89	76	84
Women	82	74	81	84	83	79	78	76	85	83	74	65	66
Under age 60	95	80	88	87	87	80	79	86	89	87	78	68	72
Aged 60 and over	85	94	87	90	90	91	82	76	93	92	84	72	78
Income under \$30,000	86	74	65	76	72	73	65	70	72	78	70	53	66
Income \$30,000 and over	98	91	96	94	93	86	85	90	93	96	84	76	78

Is this a good time to buy major household items?													
FLORIDA	105	109	104	110	113	114	110	111	113	113	109	91	86
Men	107	112	112	114	115	116	114	113	119	115	117	99	91
Women	102	107	97	106	112	113	107	109	110	112	104	85	81
Under age 60	103	110	106	110	113	112	114	111	111	113	111	89	85
Aged 60 and over	108	108	102	109	117	117	104	113	120	113	103	95	87
Income under \$30,000	93	99	96	99	106	108	111	101	96	100	94	72	68
Income \$30,000 and over	110	114	108	116	115	117	111	116	121	119	114	101	95

*Revised. †Preliminary.

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CHARACTERISTICS OF SURVEY RESPONDENTS FOR CURRENT MONTH

Sample Size	411	Race		Gender	
		% Non-white	18	% Male	47
Average age	50	% White	82	% Female	53
Income Characteristics		Hispanic Origin		Region	
% less than \$20,000	16	% Yes	13	% North	24
% \$20,000 to \$29,999	15	% No	87	% Central	17
% \$30,000 to \$49,999	21			% Southeast	26
% over \$50,000	48			% Southwest	33